

MIAMI SHORES VILLAGE POLICE OFFICERS' RETIREMENT SYSTEM BOARD MEETING

The Miami Shores Village Police Retirement Board and General Employee Pension Board jointly met on Tuesday, **January 23, 2018** at the C. Lawton McCall Community Center. The Police Officers' Retirement Board meeting called to order at 8:16 AM. The following individuals were present for the meeting:

PRESENT:

Alice Burch – Chairwoman – Present
John Bolton - Present
Shmueal Mauda – Present
Jonathan Meltz - Present

ABSENT:

Christopher McDonald

Also present were Pension Plan Administrators, Doug Falcon and Yolanda Shea, FHA-TPA Benefit Administrators, Inc., Dave West, AndCo Consulting, and Pension Attorney Adam Levinson, Klausner Kaufman Jensen & Levinson.

ELECTION

The first call to order was the nomination of the Secretary, Trustee Bolton nominated as Secretary; Trustee Bolton accepted the nomination,

A motion made by Trustee Mauda to nominate Trustee Bolton as secretary seconded by Trustee Meltz, the motion passed unanimously.

APPROVAL OF MINUTES

The Chairman asked if anyone had any questions regarding the minutes of the meeting **October 24, 2017**, she pointed out that page two, paragraph two, reflected Trustee McDonald making a motion and seconding the motion which is incorrect. Ms. Shea advised the Trustees that she was aware of that discrepancy and will correct accordingly, there being no further questions,

A motion made by Trustee Bolton seconded by Trustee Meltz to approve the October 24, 2017 minutes with correction as stated above motion passed unanimously.

PUBLIC COMMENT:

None

APPROVAL OF PAYMENT WARRANT: 2018-0001

The Chairman asked if there were any questions regarding Warrant 2018-001 for \$2,915.00, there being no questions,

Trustee Bolton moved to approve the payment of Warrant number 2018-0001 for \$2,915.00 Trustee Mauda seconded the motion, the motion passed unanimously.

RATIFY PAYMENT WARRANTS: 2017-0012 through 2017-0015

The Chairman asked if anyone had any questions regarding Warrant 2017-012(\$2,675.00), 2017-0013 (\$600.00) and Warrant 2017-0014 (\$16,312.00) and 2017-0015 (\$10,698.00) Trustee Bolton asked for clarification pertaining Gabriel Roeder Smith (GRS) bills. He asked how does GRS bill? Mr. Falcon advised

the Board that GRS charges an annual fee for the Actuarial Valuation. GRS bills for services as they are rendered up to the fixed amount. In terms of DROP statements and calculations, those are billed separately based on an hourly rate. There being no further questions,

Trustee Bolton moved to ratify payment warrants 2017-0012 through 2017-0015 as stated above Trustee Mauda seconded the motion, the motion passed unanimously.

INVESTMENT

Mr. West gave a brief background of his experience in the investment consultant capacity for the past 30 years and his current role with AndCo. He advised the Board that AndCo's fees are a hard dollar fixed fee with three years of guarantee for that fee. The Board can terminate the agreement with AndCo at any given time. AndCo does not make any revenue share from any of the mutual funds or investment managers in the portfolio. The only source of revenue is the fixed fee. Trustee

He presented the Miami Shores Village Police Officers' Pension Fund Investment Performance Review Period Ending **December 31, 2017** and pointed out the letter from Mike Welker, President/CEO. He advised the Board that they have a new partner Dan Johnson. Mr. West recycled his ownership with the firm. However, he will be staying with the firm in a senior consultant capacity where the focus is more on the aspect of consulting services to the client. Mr. West further discussed the various investment techniques used to bring the best results to the Plan. Their role is to carefully work with the actuary looking at the liability and determining the rate of return assumption, looking at state statutes and ordinance and most importantly working with the Board of Trustees. With all these tools, we come up with the investment policy with do's and don'ts. Within that policy, they are clearly laying out the objective criteria and what the expectation is.

A few of the market status were as follows:

Market returns were positive across major equity and fixed income indices for the 4th quarter and calendar year 2017. Broad domestic and international equity markets continued their yearlong trend of strong positive performance.

International equity market benchmarks posted considerable gains for both the 4th quarter and year-to-date period with the MSCI ACWI ex US returning 5.0% and 27.2% respectively.

During the 4th quarter, interest rates on the US Treasury Yield Curve rose for short-term maturities, but fell for long-term maturities causing further flattening of the yield curve.

US equity index returns were solidly positive across the style and capitalization spectrum for the 4th quarter and trailing 1-year period.

During the quarter, large cap stocks outperformed mid and small cap equities.

Growth indices outperformed value indices across the market cap spectrum for the fourth straight quarter.

Domestic equity valuations appear stretched relative to historical levels based on Forward Price/Earnings ratios (P/E), with even the most reasonably valued indices trading above their historical P/E valuations, Index P/E valuations range from 110% to 132% of their respective 15 year P/E valuations range from 110% to 132% of their respective 15-year P/E averages.

Sector performance was positive across all sectors for the 4th quarter of 2017. However, only four of eleven economic sectors outpaced the Russell 1000 Index Return.

There were ongoing questions from the Trustees addressed to Mr. West, which Mr. West responded to the satisfaction of the Trustees. He discussed the 4th quarter results from the various investment managers; the results of the Financial Reconciliation total Fund as of December 31, 2017. The total fund net results for the 4th quarter ending December 31, 2017 was 4.32%.

This concluded the investment report.

ATTORNEY

Attorney Levinson advised the Board that everything is quiet. Florida Legislature is in session now due to the Constitution Revision Commission process. Nothing relates to pension coming out of the Constitution Revision. Only one Bill they are paying attention to which is pertaining the actuary, which is more work for the actuary if the Bill passes.

He reminded the Trustees that they have to complete Form 1 and recommended not to put their home address. He advised the Trustees that the form should be sent certified return receipt; the Trustee can submit the receipt to the administrator to be reimbursed for that cost.

This concluded the attorney's report.

ADMINISTRATOR

Mr. Falcon advised the Board that Christopher Huber a terminated vested member was eligible for retirement November 1, 2017 and we have already sent him his retirement calculation.

The next pension meeting will be **April 24, 2018**.

This concluded the administrator report.

There being no further business a motion was made by Trustee Bolton seconded by Trustee Meltz to adjourn the meeting at 9:53 a.m..

Approved: At pension meeting 4/24/2018